



# KANSAS BANKERS ASSOCIATION

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**Date:** February 1, 2024

**To:** House Committee on Water  
Representative Jim Minnix, Chair

**From:** Alex Orel, Senior Vice President – Government Relations  
Kansas Bankers Association

**Re:** HB 2459 – Written Opponent Testimony

Chairman and committee members, I am Alex Orel, and I am submitting testimony on behalf of the Kansas Bankers Association (KBA). I am also pleased to submit this testimony on behalf of my colleague Kelly VanZwoll, our Vice President – Government Relations & Staff Attorney. We look forward to being a resource for you and the committee for the remainder of this legislative session. Thank you for the opportunity to submit opponent testimony on HB 2459.

### **Kansas Bankers Association Background Information:**

The KBA was founded in 1887 and is a voluntary, non-profit trade association governed by its membership. The KBA is headquartered in Topeka, Kansas, and is led by our 24-member board of directors. The KBA staff, which President/CEO Doug Wareham leads, includes 40 professionals, including 13 attorneys, that provide services to Kansas bankers ranging from legislative advocacy to educational training to insurance services to legal and regulatory compliance support. Our mission statement is direct:

*"Together, we support our member banks and bankers with leadership, advocacy, and education to benefit the communities and customers they serve."*

KBA's membership includes 98% of the headquartered banks in Kansas. Our membership also includes 20 out-of-state commercial banks operating in Kansas. Our member banks employ more than 21,000 Kansans who provide financial services in every county across the state. While our member banks range in assets from the smallest to the largest in our state, each member bank that belongs to the KBA has one vote on policy positions adopted by either our general membership or our Board of Directors. One member, one vote.



**KBA Division & Services:**

While you are all aware that advocacy is an essential role of the KBA, you may not be aware of the vast array of services and support we provide to Kansas banks and Kansas bankers. Those include:

KBA Insurance, Inc. is a subsidiary of the KBA founded in 1900, offers bonding, property & casualty products, cybersecurity, bank director liability insurance, and life and health insurance products for the Kansas banking industry. KBA's self-funded health insurance plan covers over 12,000 Kansans, making it the second-largest group that Blue Cross/Blue Shield covers. Health insurance premiums collected for our self-funded plan totaled more than \$70 million in 2023 and are growing.

KBA's Education & Conferences Departments provide more than 300 training opportunities annually for more than 4,000 bank employees, ranging from high-level economic and investment conferences and seminars to in-depth training for lenders, compliance officers, trust officers, human resource managers, and front-line bank personnel. KBA also invests in financial literacy programs for its customers, focusing on financial literacy for high school students and financial protection for older adults.

The fastest growing division of the association is KBA's Legal & Compliance Department. The department fields more than 4,000 calls annually from Kansas bankers working to comply with the various state and federal regulations governing the Kansas banking industry. Fourteen years ago, we embarked on a new venture to help Kansas banks with our industry's growing regulatory burden. In 2010, our organization formed a new subsidiary, Kansas Bankers Consulting Services, LLC, to provide KBA member banks with compliance, audit, and legal assistance. We currently have 127 banks utilizing these services, and we expect that number to grow. In 2022, we began offering outsourced compliance services to our member banks through Compliance First Banking Solutions and are currently working with ten member banks, with many on the waiting list.

Despite rising regulatory costs, the banking industry remains the backbone of local economies across Kansas, as we all saw through the COVID-19 pandemic that upended our lives. We are proud to say that our member banks stuck in there, remained open throughout the pandemic, and did everything they could to help their customers and communities.

The rest of my testimony will focus on our opponent testimony for HB 2459. Regarding advocacy, the KBA will continue pursuing policies that strengthen the traditional banking industry because strong and vibrant main-street Kansas banks are vital to solid and vibrant Kansas communities.



**HB 2459 – Opponent Testimony**

We recognize the importance and need for water users, such as ag producers or municipalities, to shift the point of diversion for water quantity or quality purposes. To that end, we are concerned about the economic impacts HB 2459 would have on our members and, by extension, the rural communities in which they reside and the economies they support.

When an agricultural operation cannot fully utilize the property rights that significantly influence the appraisal of the land they use, ag producers won't be able to attain the credit they need to operate. As a result, rural banks will struggle to provide high-quality financial services to these producers and their communities.

Thank you for the opportunity to provide opponent testimony, and we appreciate your consideration. If you have questions or require additional information later, please get in touch with me at [aorel@ksbankers.com](mailto:aorel@ksbankers.com) or (785) 232-3444.